SIKKIM

GOVERNMENT GAZETTE

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GOVERNMENT OF SIKKIM
LAW DEPARTMENT
GANGTOK

No. 1/LD/P/ 2005 **Dated: 4.4.2005.**

NOTIFICATION

The following Ordinance promulgated by the Governor on the 30th day of March, 2005 is hereby published for general information:-

INCOME AND COMMERCIAL TAX DIVISION
FINANCE, REVENUE AND EXPENDITURE DEPARTMENT
GANGTOK

(ORDINANCE NO. 1 OF 2005)

Promulgated by the Governor in the Fifty-sixth Year of the Republic of India.

AN

ORDINANCE

further to amend the Sikkim Sales Tax Act, 1983, Section 5A has been inserted in the Sikkim Sales Tax (Amendment) Act, 2003 with the objective to levy sales tax on the basis of draw of lotteries where prizes are offered on the basis of last two digit number printed on the body of the lottery ticket and draws of which are held either on weekly, fortnightly or monthly basis;

And whereas it is felt necessary and expedient to amend the Sikkim Sales Tax Act, 1983 by substituting provisions of Section 5A to make the provisions for levying sales tax on the basis of sales of actual number of lottery tickets in conformity with the provisions of the Principal Act;

And whereas the Sikkim Legislative Assembly is not in session and the Governor is satisfied that circumstances exist which render it necessary for him to take immediate action;

Now, therefore, in exercise of the powers conferred by clause (1) of Article 213 of the Constitution of India, the Governor of Sikkim hereby promulgates the following Ordinance, namely: -

Short title, extent and commencement

1. (1) This Ordinance may be called the Sikkim Sales Tax (Amendment) Ordinance, 2005.
(2) It extends to the whole of Sikkim.
(3) It shall come into force at once.

Substitution of section 5A

2. In the Sikkim Sales Tax Act, 1983, the existing provisions of Section 5A shall be substituted by the following provisions, namely:-

"5A (1)Every dealer dealing in lottery tickets who has been registered on application made under Sikkim Sales Tax Act, 1983, for so long as his registration remains in force, is liable to pay tax under this Act.

(2)Levy and rates of tax on sale of tickets:-
The tax payable by a dealer on sale of lottery tickets, who is liable to pay tax under this section on his taxable turnover of sales, shall be levied at the rate of *twenty per centum* of such part of his taxable turnover of sales which represents sales of lottery tickets.

Illustration-
A dealer selling five hundred tickets shall be liable to pay twenty percent of sale price of the five hundred tickets sold, as sales tax.

(3) Compounded rate of tax on sale of lottery tickets:-

(a) Any dealer of lottery tickets registered under this Act and liable to pay tax on sales made in the State of Sikkim, may, at his option, pay the tax in lieu of tax payable under sub-section (2) of Section 5A at such compounded rate as prescribed in the Schedule appended to this Ordinance.

(b) The tax payable at a compounded rate prescribed in the Schedule referred to in clause (a) of sub-section (3) shall be paid by the dealer to the Government in the manner as may be prescribed.

(c) Any dealer who intends to opt for payment under clause (a) of sub-section (3) shall make an application for permission to the Commissioner in such manner as may be prescribed.

(d) After verification as may be deemed necessary, the Commissioner, if satisfied, may grant, permission to the applicant who applies for permission under clause (c) of sub-section (3) of Section 5A.

SCHEDULE

Sl. No.	Type of draw on the basis of price of ticket.	Compunded rate per draw.
01	Draw for tickets having a price upto Re.1/-.	Rs. 5,000/-
02	Draw for tickets having a price above Re.1/- and upto Rs.2/-.	Rs.10,000/-
03	Draw for tickets having a price above Rs.2/- and upto Rs.5/-.	Rs.15,000/-
04	Draw for tickets having a price above Rs.5/- and upto Rs.10/-.	Rs.20,000/-
05	Draw for tickets having a price above Rs.10/- and upto Rs.20/-.	Rs.25,000/-
06	Draw for tickets having a price above Rs.20/- but less than Rs.50/-.	Rs.30,000/-
07	Draw for tickets having a price of Rs.50/- and above.	Rs.50,000/-

(4) (a) The dealer of lottery tickets liable to pay tax under this Section shall furnish statements of each draw within seven days from date of draw in the form and manner as may be prescribed.

(b) Notwithstanding anything contained in Section 11, such dealer shall furnish quarterly returns within thirty days from the last day of the end of each quarter along with the proof of payment of tax, in such form and manner as may be prescribed."

Insertion of new item in Schedule II

3. In the said Act, in Schedule II, after serial number 200, the following serial number shall be added, namely,-

"201	Lottery tickets	20%."

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